






Agenda

- **Select Plan Overview**
- **Select Full Flavor Transition**
- **Select Lights Launch Plan**
- **Issues/Discussion**

(Revised 5/20/93)

Introductory Plan

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	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
B1G1F FF						
B1G1F LT						
Ongoing UPC						
Print Advertising						
Direct Marketing	X					
Supplemental Merchandising						

Select FF Transition/LT LaunchTimetable

	<u>Day of</u>
• Select FF transition to B1G1F <i>and</i> Select LT launch plan in Field offices	6/04/93
• Select FF support POS in Lentz for July B1G1F	6/04/93
• All sell-in materials to Field (books, gratis, video, pack/carton flats, etc.)	6/04/93
• Allocations on line for Field review/adjustments	6/04/93
- Select FF and Select LT quantites	
• Begin contacting Chains/Directs/Retailers	6/07/93
• Wave I allocation quantity adjustments back in Winston-Salem	6/17/93
• Select FF B5G5F in Public Warehouses	6/21/93
• First available delivery date of July Select FF B1G1F product	6/28/93
• Adjusted Wave II allocations back to Winston-Salem	7/08/93
• All DTS materials in Lentz for Select Lights	7/09/93
• First delivery to Directs on Select Lights B1G1F product	7/12/93
• DTS for Select Lights	8/02/93

Select Full Flavor Transition

<i>Transition Steps</i>	<i>Timing</i>	<i>Costs (\$MM)</i>
Select 40¢ product completes shipment	6/18/93	—
Last date old graphics Select can ship	6/18/93	—
Original graphics product at PW/ CDC sold to Indian Reservations	6/21/93	(0.9)
B1G1F product available to ship (456MM units)	6/28/93	8.0
Incremental couponing of 40¢ product at retail:	7/93	0.9
<i>Begin immediately</i> { - 60¢ coupons on packs (\$1.00 total) - \$3 coupons on cartons (\$7.00 total)		
Original graphics pick-up at retail (If we have the need)	7/93	0.1
Total		8.1

Note: We will be paying \$6.00 per case on every 12M case of Select FF B1G1F ordered via credit memo to compensate for UPC changes.

Select Lights Launch

National Launch August 2, 1993

*NASA
All styles*

- Soft Pack/Box 85's (required)
- Soft Pack 100's (optional)
- Slim LT 100 Box (optional)

Volumes assume 3.5
styles nationally

**Note: Load allocations for Field review at 100% by 6/4/93
along with July FF B1G1F quantities.**

Strategy

- Launch 100% B1G1F two months
- Sustain at promotion price ongoing (TBD)
- Reinforce Select Challenge on Marlboro via direct marketing and media (as well as in-store)

Select Lights LaunchAugust/September Launch

	<i>B1G1F Aug./Sept.</i>	<i>Carton</i>	<i>Pack</i>
FF	712	285	427
LT	<u>1,830</u>	<u>732</u>	<u>1,098</u>
Total	2,542	1,017	1,525

Rationale

- Pack Sales: 762MM per month

- Special Lights introduction (382MM)
- CAMEL June promotion (980MM)
- Select FF B1G1F 360MM lasted one month

- 21 offers per store per week

4 1/2 ctns. - 198,000 RETAIL ACCOUNTS

- Carton Sales: 509MM per month

- 40% of volume carton
- Select FF at 47% today
- Select Lights could be higher due to female skew
- Offer very lucrative: B5G5F

- 12 cartons per week per store between all five styles

Select Lights Launch

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Direct Account Plan

- \$24.00 a case on pipeline allocation — only on the 4 new styles
- 14 additional day terms on pipeline allocation
- First available ship date is 7/12/93
- No count/recount (C-Box)
- \$6.00 per case on sustaining allocation paid via credit memo

Workplan POS

- All WINSTON ICAP pieces change with DTS:
 - Transparencies "Select Challenge Offer"
 - Paper two-sided
 - Wobblers/starbursts supplement message
- 4th Quarter convert to sustaining promotion value:
 - "Select Challenge Offer" eases conversion pressure
 - Merchandising unit replacement kit

Select Family Transition
(4th Quarter Sustaining)

- New offer specific POS in 4th Quarter workplan Kits
- Special Merchandising replacement kit
 - New DBRC's
 - New Floorbase headers
 - New overlay for Counter Units
 - New Change Mat
 - New Security Glass Decals
 - Replacement Panel for 6' x 3' Banners
 - New Wobblers/Starbursts
- Second wave media will be sustaining promotion offer specific
- Transition DM Letter and sell-in gratis product/new UPC codes

*If we change from B1618
to 50 & off
overlays will be available
so that wire pairs copy doesn't need
changing*

Select Lights Launch

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Retail Merchandising

- Objective

Minimize downtime in resetting stores and maximize presence of new Select

<u>Units</u> (\$4.1MM)	<u>Payments</u> (\$16.8MM)
Semi-Permanent FB Display	\$50/month
Temporary FB Display	\$50/month
Temporary Counter/Dist. Assist Display	\$3 with 4 renewals
Semi-Permanent Counter Display	\$25/month
Flex Shelf Insert	n/a
N/S/S FB Standee	n/a
Dump Bin Display with RC	\$5 with 4 renewals

Note: Sales Areas will be given budget on \$50/month and \$25/month allowances to manage with variable rates.

Select Lights Launch

Retail Presence

- **Minimize selection of presence pieces to major impact items:**
 - **6' x 3' Banners**
 - **Pen and Pencil Caddy**
 - **Ground/Curb Sleeve**
 - **Change mats**
 - **Security Glass Arrows**
 - **Wobblers/Starbursts**
 - **Mini Motion Unit**

Select Lights Launch

Merchandising/ICAP

- In C-Stores these are general guidelines: Fact Book will recommend that AVP or RSM provide final determination and direction
 - CAMEL Special Lights still a top priority

<i>CAMEL Special Lights Is Bigger Opportunity for RJRT</i>		<i>WINSTON Select Is Bigger Opportunity for RJRT</i>	
#1 PCD/Adv.:	CAMEL Special Lights	#1 PCD/Adv.:	WINSTON Select styles
#2 PCD/Adv.:	WINSTON Select styles (major presence in store)	#2 PCD/Adv.:	CAMEL Special Lights (major presence in store)
#3 PCD/Adv.:	Determined by ASM (CAMEL Base or WINSTON Base styles)	#3 PCD/Adv.:	Determined by ASM (CAMEL Base or WINSTON Base styles)

Select Lights Introductory Plan

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Media

- Objective

Execute national print plan to leverage retail offers and enhance Select Challenge positioning versus Marlboro.

- Spending

	<i>Media</i>	<i>Production</i>	<i>Total</i>	<i>Special Lights Print (3 months)</i>	<i>Total Special Lights</i>
\$MM	4.6	0.8	5.4	7.3	26.6

- Timing

- **B1G1F Offers (August-mid September)**
- **Sustaining Challenge Offers (mid October-Mid December)**

Select Lights Introductory Plan

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Media (Cont'd)

- Program Highlights

- Marlboro Lights emphasis
- Slight female skew

- Reach/Frequency

<i>21-34</i>	<i>Female 21-34</i>
82/5.4	82/5.8

- Creative

- 1/3 Page/Spread plus Select Challenge Kit (25% of total circulation)
- 1/3 Page/Page
- Spreads
- Single Pages

Direct Marketing Program

- **Objective**

Stimulate awareness and trial of Select Lights and announce B1G1F pack promotion at retail.

- **Program**

Deliver announcement mailing to 2.9MM competitive smokers nationally with emphasis on Marlboro Lights smokers

- **Mailing elements:**

- **Select Lights product story**
- **"Taste Challenge" kit**
- **B1G1F promotion announcement**
- **WINSTON Weekends catalog plus "15 free proofs" certificate**

- **Mailout Date: Week of 8/2**

- **Budget: \$8.0MM**

Select Repositioning

Issues

- Not sending out introductory material on Select LT *or* conversion on Select FF to a B1G1F until 6/4/93. First ship date for Select FF B1 is 6/28/93.
 - Very limited time to get to Directs/Chains/Retailers and advise them of transition on Select FF
- B1 quantity estimates with some flexibility to adjust up but with financial impact
- Implementing a "dark week" for Select 6/21/93-6/25/93
- Launch of Lights in August requires "on shelf" defense if we have to do another \$4.00 off Base WINSTON program
 - Cannot expect POS/Floor Displays on Select *and* Base WINSTON